

Message Text

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C O N F I D E N T I A L BUENOS AIRES 5134

E. O. 11652: GDS

TAGS: ELAB, PINT, PGOV, AR

SUBJECT: THE SPECTRE OF ORGANIZED LABOR'S POWER

SUMMARY. ORGANIZED LABOR'S POLITICAL POWER NOW GIVES APPEARANCE OF BEING PREPONDERATE. HOWEVER, OTHER MAJOR SECTORS ARE CONCERNED OVER LABOR'S DISPROPORTIONATE INFLUENCE IN GOVERNMENT AND CAN BE EXPECTED TO TAKE STEPS TO CURB ITS ROLE. ALTHOUGH LABOR'S POWER IS IMMENSE, INTERNAL DIVISIONS WITHIN THE LEADERSHIP AND FESTERING PROBLEMS WITH THE RANK AND FILE WILL, APART FROM ACTIONS BY OTHER SECTORS, PRECLUDE IT FROM EXERCISING A PREDOMINANT ROLE IN THE PRESENT OR FUTURE GOVERNMENTS. END SUMMARY.

1. ORGANIZED LABOR IS RAPIDLY GAINING THE REPUTATION OF BEING A POLITICAL POWER WITHOUT PEER IN THE PRESENT DAY ARGENTINE BOY POLITIC. THAT IT HAS ENORMOUS POWER, AND WILL EXERT GREAT INFLUENCE ON ANY GOVERNMENT THAT COMES TO POWER, CANNOT BE DENIED. WITHIN A PERONIST GOVT IT SERVED AS THE CATALYST AND MAJOR PROTAGONIST IN THE POLITICAL DEMISE OF LOPEZ REGA, WHO CAME VERY CLOSE TO CAPTURING FULL CONTROL OF THE COUNTRY'S POLITICAL/ GOVERNMENT PROCESSES. GRANTED THAT IT HAD THE BEHIND-THE-SCENES SUPPORT OF THE MILITARY AND POLITICAL SECTORS, IT VIRTUALLY DESTROYED MRS. PERON'S POPULAR MANDATE. WHETHER OR NOT MRS. PERON REMAINS IN OFFICE

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NOW DEPENDS TO A GREAT EXTENT ON THE PLEASURE OF

ORGANIZED LABOR. FUTURE GOVTS WILL UNDOUBTEDLY HEED THIS EXAMPLE OF LABOR POWER AND TAKE CARE NOT TO CHALLENGE LABOR ON A BREAD AND BUTTER ISSUE, AS DID LOPEZ REGA.

2. THE SPECTRE OF ORGANIZED LABOR RUNNING THE GOVERNMENT HAS CAUSED CONSIDERABLE CONCERN AMONG OTHER SECTORS. ALTHOUGH PRESENTLY IN A STATE OF DISARRAY, THE POLITICAL SECTOR OF THE PERONIST MOVEMENT IS ATTEMPTING TO RESIST LABOR'S ONSLAUGHT, PRIMARILY THROUGH AN INCREASE IN THE POWER OF THE LEGISLATURE. THE BUSINESS SECTOR HAS DECLARED ITSELF IN A STATE OF ALERT TO RESIST WHAT IT CONSIDERS TO BE EXCESSIVE PRESSURE FROM THE LABOR SECTOR. LABOR SOURCES ADVISE US THAT THEIR MILITARY CONTACTS ARE NOW EXPRESSING FEAR OVER LABOR'S APPARENTLY PREDOMINANT POSITION. SOME MILITARY REPORTEDLY ARE SPEAKING OF NEED TO CHANGE LABOR LEADERSHIP SO THAT IT WILL BE MORE RESPONSIVE TO MILITARY DIRECTIVES. LABOR IS FULLY AWARE OF CONCERNS OF OTHER SECTORS, ESPECIALLY MILITARY, AND REALIZES THAT SHOULD ITS POSITION COME TO BE LOOKED ON AS PREPONDERANT, THE MILITARY WOULD MOVE TO DISPLACE LABOR. THUS, LABOR ITSELF IS CONSCIOUS AND FEARFUL OF THE REACTIONS ITS POSITION OF INFLUENCE IS CREATING AMONG THE OTHER SECTORS. MORE-OVER LABOR IS MORE AWARE OF ITS INTERNAL DIFFERENCES THAN ARE OTHER SECTORS, AND AT THIS POINT MORE ANXIOUS TO PUT ITS HOUSE IN ORDER THAN TO GRAB FOR ADDITIONAL POWER.

3. DESPITE LABOR'S APPARENT PREDOMINANCE, IT IS IN FACT BESET WITH GROWING INTERNAL DIVISIONS WHICH OF THEMSELVES WOULD PREVENT LABOR FROM REACHING THE PINNACLE OF POLITICAL POWER IN ARGENTINA. THE UNITY WITH WHICH IT FACED LOPEZ REGA AND IS STILL FACING THE VESTIGES OF LOPEZREGISMO WAS FORGED IN THE CRUCIBLE OF THE BATTLE, BUT CANNOT LONG SURVIVE ITS VICTORY. FOUR DISTINCT GROUPING WITHIN ORGANIZED LABOR HAVE RECENTLY BEEN FORMED, EACH VYING FOR FUTURE SPOILS. THEY ARE A GROUP LED BY METAL WORKERS (UOM) LEADER LORENZO MIGUEL, A GROUP LEADED BY CGT SEC GEN CASILDO HERRERAS, A GROUP HEADED BY SEGBA PRES JUAN TACCONI AND THE LUZ Y FUERZA UNION, AND A REVIVED NEO-CONFIDENTIAL

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VANDORIST GROUP OF EIGHT LED BY RAMON ELORZA WITHIN THE CGT AND JUAN RACCHINI WITHIN THE CHAMBER OF DEPUTIES. EACH GROUP HAS ITS OWN SUPPORTERS WITHIN THE MILITARY. REPORTEDLY, BA GOVERNOR VICTORIO CALABRO, WHO IS RAPIDLY BECOMING A POWER ON THE NATIONAL SCENE, IS SUPPORTED BY THE GROUP OF EIGHT. A MEMBER OF THE METAL WORKERS UNION HIMSELF, CALABRO ALSO HAS STRONG MILITARY AND SOME POLITICAL BACKING. HE REPORTEDLY FORESEES HIMSELF

AS A FUTURE PRESIDENT OF ARGENTINA. WHILE THIS APPEARS A REMOTE POSSIBILITY, HE IS A POLITICAL FORCE TO BE RECKONED WITH.

4. WHILE MOST OF LABOR'S INTERNAL DIVISIONS HAVE BEEN KEPT BELOW THE SURFACE, LORENZO MIGUEL'S DIFFERENCES WITH OTHER SECTORS RECENTLY SURFACED. MIGUEL OPPOSED CHAMBER OF DEPUTIES' DECISION TO FORCE RESIGNATION OF CHAMBER PRESIDENT RAUL LASTIRI AND SOUGHT TO SWAY LABOR DEPUTIES TO HIS VIEWPOINT. HE FAILED AS DEPUTIES VOTED 100 PERCENT TO DEPOSE LASTIRI. AS A RESULT, MIGUEL SUBMITTED HIS RESIGNATION AS PRESIDENT OF 62 ORGANIZATIONS. IN JULY 28 MEETING 62 ORGANIZATIONS' DIRECTIVE COUNCIL REJECTED HIS RESIGNATION AND ANNOUNCED FULL CONFIDENCE AND SUPPORT FOR HIM. NEVERTHELESS, MIGUEL'S STANDING WITH MANY OF HIS FELLOW LABOR LEADERS HAS BEEN SEVERELY DAMAGED. MIGUEL'S DIFFERENCES STEM FROM HIS DESIRE TO SUPPORT CONTINUANCE IN OFFICE OF MRS. PERON. THAT DESIRE IS NOT UNIVERSALLY SHARED BY MANY LABOR LEADERS WHO BELIEVE SHE IS STILL TOO CLOSELY TIED TO LOPEZ REGA. OTHER DIFFERENCES, NOW HIDDEN FROM PUBLIC VIEW, ARE EXPECTED TO SURFACE IN THE NEAR FUTURE.

5. IN ADDITION TO DIVISION WITHIN LABOR LEADERSHIP, THOSE LEADERS ARE ALSO BESET WITH PROBLEMS FROM THEIR RANK AND FILE. INCREASINGLY WORKERS ARE REJECTING THEIR LEADERS, DEPOSING THOSE WHO THEY FEEL HAVE PAID LITTLE ATTENTION IN THE PAST TO THEIR LEGITIMATE ECONOMIC ASPIRATIONS. LEFTISTS, BOTH MONTONEROS AND ERP, ARE EXTREMELY ACTIVE AMONG THE RANK AND FILE, CREATING THEREBY A POTENTIALLY HOSTILE LEFTIST WORKING VCLASS WHICH WILL BE UNLIKELY TO ACCEPT FUTURE POLITICAL DECISIONS AGREED TO BY THE NATIONAL LEADERS. THAT
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LEFTIST AGITATION IS LOOKED ON WITH GROWING CONCERN BY THE MILITARY, WHICH WILL NOT FOR LONG ACCEPT A RADICALIZATION OF THE WORKING CLASS.

6. LABOR'S INTERNAL DIFFERENCES, NOTED ABOVE, ARE MORE LIKELY TO BE EXACERBATED THAN AMELIORATED BY DEVELOPING EVENTS. THUS LABOR'S ABILITY TO CONSOLIDATE AND MAINTAIN THE POWER AND INFLUENCE IT NOW EXERCISES IS HIGHLY QUESTIONABLE. THE MORE LIKELY COURSE OF EVENTS IS FOR THE POLITICAL SECTOR, AND/OR THE MILITARY, TO OUT-MANEUVER THE MORE POLITICALLY INEPT LABOR LEADERS. THAT IS NOT TO SAY THAT LABOR WILL NOT INFLUENCE FUTURE GOVERNMENTS, BUT RATHER ITS INFLUENCE WILL NOT BE ONE OF PREDOMINANCE. AS THE MILITARY IS THE ONLY DISCIPLINED ORGANIZED SECTOR IN ARGENTINE SOCIETY, IT WILL, IF OTHER

SECTORS FAIL TO SOLVE THE CURRENT CRISIS, BE THE FINAL
ARBITER OF POWER IN THE COUNTRY.
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